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RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
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C O N F I D E N T I A L DHAKA 000739

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E.O. 12958: DECL: 07/28/2019

TAGS: FAIR ETRD BEXP EFIN PREL ECON PGOV BG

SUBJECT: BOEING,S BANGLADESH DEAL: LIVERY DESIGN DECISION
BUMPED TO PM

REF: A. DHAKA 728

1B. DHAKA 691

1C. DHAKA 540

Classified By: Ambassador James F. Moriarty, Reasons 1.4 (b) and (d)

SUMMARY

11. (C) Boeing continues to slog forward on a 1.3 billion USD aircraft sale deal concluded with the 2007-2008 Caretaker Government to revitalize ailing national airline Biman Bangladesh (reflets). PM Sheikh Hasina will now personally decide Boeing's related effort to obtain Government of Bangladesh (GOB) blessing for a new Biman livery design. The livery decision delay illustrates the frustrations of doing business in Bangladesh as well as the remarkable personal control that Hasina exerts over her government. End summary.

GOB DEBATES THE LIVERY

12. (C) In a July 21 meeting arranged by the Embassy, Civil Aviation and Tourism Minister G.M. Quader told Boeing representatives and DCM that Hasina had rejected Boeing's proposed new livery design because she did not like the color scheme. Quader speculated that Hasina would prefer to see the green and red of Bangladesh's flag incorporated into the logo and insisted that Hasina would also want to approve flight attendants' uniforms. Quader accepted a revised portfolio of designs from Boeing and said he would personally discuss them with the PM; Quader deflected Boeing's request for a direct meeting with Hasina.

BOEING AWAITS SOVEREIGN
GUARANTEE, FRETS AIRBUS

13. (C) Boeing regional director Keith Williamson separately reiterated to DCM Boeing's concern that Airbus might be making a backdoor offer to Hasina or officials in her government. Boeing was worried that the GOB still had not committed to provide the sovereign guarantee required to lock in financing for Biman's planned purchase of up to 1.3 billion USD worth of aircraft (ref B). If the GOB did not provide the sovereign guarantee soon, Boeing feared the financing package would expire.

COMMENT

¶4. (C) We share Boeing's concerns about the GOB's slow going. Biman is scheduled to take delivery of bridge-leased Boeings -- aircraft that should be decked out with the new design -- in four months. The Ambassador continues to press the GOB, from the PM on down, to move on the sovereign guarantee and to close the Boeing deal. We will remain engaged to make sure that this contract for 10 Boeing planes (four 777's, four 767's and two 737's) comes to fruition.

MORIARTY